

March 1, 2018

U.S. Postal Regulatory Commission  
901 New York Avenue NW, Suite 2000  
Washington, DC 20268-0001

RE: Ten-Year Regulatory Review  
Docket No. RM2017-3

Dear Commissioners,

I am writing on behalf of Credit One Bank, N, A, ("Credit One Bank") to express our deep concerns about the Ten-Year Regulatory Review that was recently conducted, which raised the prospect of a significant increase in postage rates over the next five years. Credit One Bank is a national bank headquartered in Las Vegas, Nevada and the eighth largest mailer of credit card acquisition mail in 2017, according to Mintel's CompereMedia.

While CompereMedia shows the credit card industry as a whole decreased mail volume by 23% in 2017 compared to 2016, Credit One Bank increased its mail volume in this acquisition channel by 7% during this timeframe. We view a strong mail program as a valuable and efficient way to enhance our acquisition efforts. However, the proposed Ten-Year Regulatory Review has us concerned about the long-term outlook of using mail as an acquisition channel.

Credit One Bank's mail volume increased by 7% last year because we realize an acceptable return on investment from our mail acquisition efforts. The Postal Regulatory Commission's (PRC) conservative estimates show a potential 27% increase to postage rates over the next five years. Since postage makes up the largest portion of the cost of our mail acquisition program, a 27% increase to postage rates will cause our mail program to become less cost effective and, we estimate, our mail volume is likely to decrease by 37% as a result that increase.

Today we use the CPI cap to help us plan future mail campaign budgets and demonstrate the important role that mail acquisitions play in Credit One Bank's 5-year growth plan. Abandoning the CPI cap will introduce uncertainty that will likely cause Credit One Bank to decrease mail volumes, and shift resources to other acquisition channels.

Credit One Bank respectfully urges the PRC to reconsider its decision to proceed with the substantial rate increases that would result from this proposal. Instead of a rate increase, we recommend the PRC consider other alternatives such as removing Saturday delivery. While five day delivery would impact our business, we feel this is a more manageable solution which better preserves the viability of what is today an important acquisition channel for Credit One Bank.

We appreciate the opportunity to share our views and the PRC's thorough analysis of this important issue.

Respectfully submitted,

Christopher Gouveia  
VP Direct Mail Acquisition  
Credit One Bank